GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:87
ANSWERED ON:20.02.2009
COMMERCIAL LOSSES OF SEBS
Nikhil Kumar Shri

Will the Minister of POWER be pleased to state:

(a) whether several State Electricity Boards (SEBs) in the country are incurring commercial losses;

(b) if so, the details of the loss suffered by each SEB during each of the last three years, State-wise and the reasons therefor;

(c) whether any working group has been constituted by the Government to look into the issue;

(d) if so, the details and the findings thereof; and

(e) the action taken by the Government thereon?

Answer

THE MINISTER OF POWER(SHRI SUSHILKUMAR SHINDE)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 87 TO BE ANSWERED IN THE LOK SABHA ON 20.02.2009 REGARDING COMMERCIAL LOSSES OF SEBs.

(a) & (b): Yes, Sir. The Power Finance Corporation (PFC) has, for the last few years, been publishing an Annual Report on the Performance of State Power Utilities (State Electricity Boards [SEBs]/unbundled utilities/Power Departments) and private distribution companies created as a result of reform measures in various States. The 5th Report covering the performance of State Power Utilities for the years 2004-05 to 2006-07 has been published by PFC. As per this report, the details of State-wise losses incurred are given in Annex-I. The source of data for computation of the information (audited, provisional annual accounts/annual resource plans) is enclosed at Annex-II. Some of the main reasons for SEBs/Power Utilities incurring commercial losses are High Aggregate Technical & Commercial (AT&C) losses in the system and average revenue from sale of power being less than the average cost of supply in case of certain category of consumers such as BPL (Below Poverty Line) and agricultural consumers.

(c) to (e) : No, Sir. The SEBs/Power Utilities are under the jurisdiction of their respective State Governments and Electricity Regulatory Commissions set up under the Electricity Act, 2003. However, the Central Government has taken the following major initiatives in this regard:

i) The Electricity Act, 2003 provides that the tariff will be regulated by the Electricity Regulatory Commissions on the basis of principles laid down in the Act which, inter- alia, include efficiency improvement and reduction of cross-subsidies.

ii) Theft is one of the main reasons of high AT&C losses. Legal provisions in the Electricity Act, 2003 for dealing with theft of electricity have been further strengthened by the Electricity (Amendment) Act, 2007, making the offence of theft cognisable and non-bailable.

iii) Emphasis is given on metering of feeders and supply to consumers for energy accounting and auditing for identifying the location of high losses so that corrective measures can be taken.

iv) Restructured Accelerated Power Development and Reforms Programme (APDRP) has been sanctioned for the XI Plan as a Central Sector Scheme. The focus of the programme is on actual demonstrable performance in terms of sustained loss reduction.